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WEEKLY SUMMARY

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(Information as of noon EDT, 30 June 1966)

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However, overtures to this end by erstwhile presidential candidate Francois Mitterrand are not being enthusiastically welcomed by the Communists, who fear they may be used in the upcoming legislative election campaign and then discarded afterward.

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France now says it will "subordinate" its forces to NATO in wartime but insists that the details are for the military--not the politicians--to work out. There is also doubt as to how the French will react to Bonn's declaration offering an interim arrangement to allow French troops to remain in Germany.

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Far East

VIETNAM

Political activity in Saigon this week generally centered on preparations for the September elections and on forthcoming governmental changes. Differences between the government and the Buddhist Institute subsided somewhat in immediate importance.

The government has begun to brief provincial officials on the application of the recently promulgated law under which a constituent assembly will be elected in September. It is not yet clear whether any military officers will be candidates, although a military member of the Directorate has been put in charge of political activity for the armed forces. Political and religious groups appear to be organizing for the elections along traditional lines, with no significant new alliances evident thus far. Government leaders recognize that the Buddhist Institute and some Catholic factions oppose the elections, but are hoping that indirect persuasion will change the attitude of these recalcitrant groups before September.

Government Changes

The government hopes to announce its new cabinet on 1 July. One significant realignment, which stresses the importance of rural pacification, will elevate Revolutionary Development chief General Thang to the status of a "superminister," responsible for the ministries of interior, public works, and agriculture. One cab-

inet minister with close ties to the Buddhist Institute is expected to be removed.

Meanwhile, "watchful waiting" and some uneasiness continue to characterize public reaction to devaluation and other economic reform measures announced on 18 June. As expected, some adverse reaction has developed including a strike by construction workers in the Saigon area, but no definitive trends relating to the over-all success or failure of the reforms are yet evident.

Moderate and militant Buddhist leaders within the Buddhist Institute apparently remain unable to resolve their differences over continuing opposition to the Ky government. After raiding the institute compound last week, the government made some conciliatory moves toward the moderates, but no accord has yet been reached.

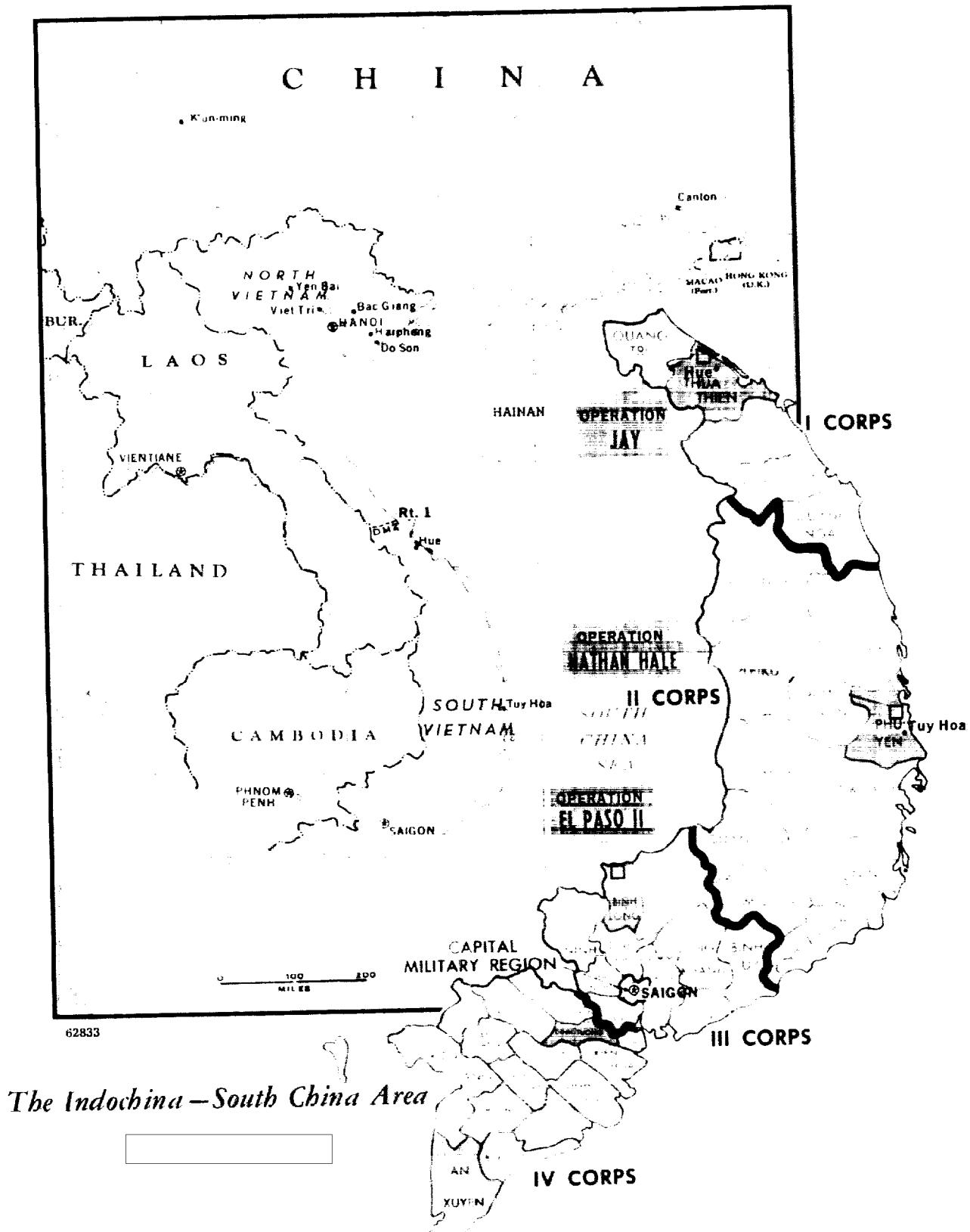
Military Situation

The scene of major fighting shifted during the past week from South Vietnam's western highlands to the northern and central coastal plain.

Northwest of Hue, in Thua Thien Province, two US Marine battalions conducting search-and-destroy Operation JAY trapped battalion-sized or larger elements of the 6th North Vietnamese Army (PAVN) Regiment against an inlet on the South China Sea. Supported by heavy

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The Indochina-South China Area

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tactical air strikes, artillery, and naval gunfire, US forces killed 92 Communists while sustaining only moderate casualties.

In Phu Yen Province, eight US battalions continued to press Operation NATHAN HALE against two PAVN regiments near the provincial capital of Tuy Hoa. The 12-day ground sweep has thus far taken more than 400 Communist lives and has seriously disrupted enemy plans--gleaned from captured documents--for a major regimental assault against a nearby US/Vietnamese Special Forces camp.

South Vietnamese forces enjoyed mixed success during the conduct of two large-scale search-and-destroy operations in the Mekong Delta. Southwest of Saigon, government regulars lost 30 killed and 72 wounded in two days (26-27 June) of heavy fighting in Dinh Tuong Province, but rallied on 28 June by killing 82 Viet Cong during a one-day sweep in southernmost An Xuyen Province.

The two major Communist-launched attacks this week were notably unsuccessful. A 29 June battalion-sized ambush against a Vietnamese Marine battalion in convoy along coastal Route 1, northwest of Hue, was beaten off, with enemy losses of 202 killed, versus 50 government troops killed and 84 wounded. A regimental-strength attack the next day against elements of the US 1st Infantry Division conducting EL PASO II north of Saigon in Binh Long Province was

also repulsed with only moderate friendly losses, against more than 300 Viet Cong killed.

Air Strikes on North's POL Dumps

US Air Force and Navy aircraft conducted several coordinated strikes against major North Vietnamese POL storage facilities beginning on 29 June. Pilots reported that heavy damage was inflicted on the installations at Hanoi, Haiphong, Do Son, Bac Giang, and Viet Tri. No definitive assessment could be made from the initial bomb damage photography, however, because of heavy smoke and flame rising from the targets. These facilities were estimated to comprise some 70 percent of North Vietnam's bulk petroleum storage capacity.

Two US aircraft were lost to ground fire during the attacks. At least five other air force aircraft were damaged--three by flak and two in an aerial engagement with four North Vietnamese MIG-17 fighters--but all these returned safely to their bases. One of the DRV fighters was shot down.

Hanoi's initial propaganda reaction to the strikes stressed that the attack provided a great victory for the North Vietnamese air defense which, Hanoi claimed, shot down seven US aircraft during the raid.

DRV Airfield Construction

Analysis of low-level photography confirms 25X1

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that construction previously observed at Yen Bai in northwest North Vietnam is an airfield. The area of grading and leveling now is about 10,500 feet long. If construction continues at the present rate, this airfield will probably be ready for use by the end of the year.

More Soviet Helicopters to DRV

Four more MI-6 Hook helicopters have arrived in Haiphong

North Vietnam now has six of these heavy-duty helicopters--the first two arrived in early March and have since been operating from Hanoi/Gia Lam Airfield.

These helicopters could play a significant role in logistic operations or in the tactical deployment of weapons systems such as surface-to-air missiles.

The Hook is capable of moving more than 70 troops or 17,000 pounds of cargo for a distance of over 300 miles. There is no evidence at present, however, to indicate what use the North Vietnamese might make of these new aircraft.

Current Infiltration Totals

The latest report on infiltration from MACV provides further evidence that movement of North Vietnamese into the South reached a new high of some 24,275 during the first five months of 1966. Of this number, MACV lists 10,300 as confirmed and the remainder as either probable or possible. By comparison, MACV estimates that about 22,000 men infiltrated South Vietnam in all of 1965.

INDONESIAN CONGRESS NEARS ADJOURNMENT

The Indonesian congress (MPRS), the nation's highest policymaking body, is still in session but has probably completed the major action expected of it. Having endorsed President Sukarno's 11 March transfer of executive power to General Suharto and having unanimously named General Nasution as MPRS chairman, the members have gone into committee sessions and will probably adjourn on 4 July.

General Suharto apparently feels that the MPRS action both affirmed and strengthened his mandate and gave the army all the authority it needs for the time being. In a press interview on 27 June, Suharto made clear that he plans no immediate action to strip Sukarno of titular authority. He will probably continue, however, to countenance anti-Sukarno propaganda designed to reduce the President's prestige and discredit his policies.

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Although the MPRS clearly is being stage-managed by the military leadership, speech-making and discussion sessions from 22 to 26 June indicated that some differences of opinion are permitted. The National Party (PNI) took a generally pro-Sukarno line; the opportunistic Moslem Nahdatul Ulama (NU)--the only other large recognized party--moved away from the pro-Sukarno line it has been taking for the past few weeks toward the strongly anti-Sukarno posture of the minor parties.

Now that his authority has been confirmed by the MPRS, Suharto probably hopes to move against leftist military and civilian elements in East and Central Java. He has replaced the army commanders in both provinces, where pro-Sukarno sentiment has been vigorously expressed in recent weeks and where an effective Communist underground could develop unless remedial steps are taken. Suharto has appointed one of his closest and most trusted advisers, Major General Sumitro, to the East Java post and a strong anti-Communist personality, Major General Surono, to Central Java.

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SHAKE-UP IN CHINA'S SECOND-ECHELON LEADERSHIP

There are mounting signs that the political turmoil in Peking has produced a massive shake-up of key officials just below politburo rank.

A host of officials dropped out of public view before or about the time of the fall of politburo member Peng Chen in March or April. While failure to make public appearances is not an infallible guide to a leader's standing, it is usually a good one. Appearances enhance a leader's stature and serve to remind subordinates, who are often kept in the dark about such things, that he still exercises authority. Of the 73 officials who filled key party and military posts before 1 April, about the time that Peng Chen fell, 31 are now out of view (see chart). On 1 Jan-

uary 1966, only 15 of the 73 had gone unreported for as much as three months.

The recent unsettled political scene has produced considerably more pressure than usual for a leader to do what he can to establish that he is in good standing. The Peking press has been adding to these pressures by demanding that responsible officials "personally" take charge of the current ideological purification drives in their own domains. Such demands could foreshadow charges of malfeasance against officials who can be represented as not complying. This was the technique used to bring down Peng Chen. It would seem to establish the general proposition that, when political shortcomings are publicized in a leader's domain

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SECRET**Possible Shake-Up of Key Party and Military Groupings in Communist China**

This chart considers the status of only those men who appeared to form the active power structure in March 1966, just before the fall of politburo member Peng Chen. Some, who hold multiple posts, are counted in more than one grouping.

PARTY	Members Still In Good Standing	Members Who May Be in Trouble
Politburo		
Secretariat		
Heads of Central Committee Dept- Level Organs		
Regional Bureau Chiefs		
Provincial First Secretaries		
MILITARY		
Military Affairs Committee of the Central Committee		
Chief and Deputy Chiefs of Staff		
Minister and Vice Ministers of National Defense		
Heads of Major Services		

and he is not represented as engaging in the necessary clean-up action, he is in trouble. At the moment, at least eight provincial leaders and two department heads in the central committee have been implicated by this type of indirect attack. In all these cases the official concerned has been out of sight for months.

An indication that the fate of such men has not been entirely settled was provided by Peoples Daily on 24 June. It urged leading officials who are under criticism

not to lose heart if the "masses post a few big-character posters" (i.e. make public accusations), but to try to clear themselves. Since Peoples Daily had attempted unsuccessfully earlier this year to defend Peng Chen, its present advice may not be very reassuring to those under attack. Moreover, only a few days earlier the Peking press had applauded the use of such posters as "detectors of monsters" who will "turn pale with fear and break into a cold sweat at the sight of them."

Description of the "freaks and monsters" under attack indicate that they, like Peng Chen, may be accused of harboring bourgeois revisionist sentiments and of working against the party and Mao Tse-tung. This does not fit well with the background of the men involved. Almost to a man, those whose status is now in question are hard-line men with an unswerving record of devotion to Mao and his dogmatic policies.

Little is known about new appointments. Peng Chen was replaced in early June as first secretary of the Peking city party organization by a man believed to be a protégé of party general secretary Teng Hsiao-ping. The only key appointment announced since then is a new deputy director of the general political department (the party's control apparatus in the army). This man served under Teng Hsiao-ping in Southwest China in the early 1950s.

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CHOU EN-LAI'S VISIT TO RUMANIA ENDS IN DISPUTE

Chinese Communist Premier Chou En-lai's eight-day visit to Rumania exposed the flimsiness of the two countries' claim to a close relationship. It achieved little or no agreement on substantive issues and ended in an open clash with Rumanian party boss Ceasescu. Chou, however, fared better in Albania and Pakistan, the other two stops on his tour.

Rumania has used its relationship with China to underscore its neutrality in the Sino-Soviet rivalry and thus to advance its independence of Moscow. China has encouraged Rumanian independence as a tactic in its struggle with Moscow, and cited ties with Bucharest to counter assertions that Albania is its only friend in Eastern Europe. The usefulness of these tactics for both Rumania and China was reduced by Chou's visit.

There was little effort to hide the differences between Chou and Ceasescu as the 16-24 June visit came to an end. Instead of the customary communiqué, brief unilateral statements were issued from Bucharest and Peking which mentioned no single item of agreement. In his farewell remarks, Chou described the talks merely as "useful" and "frank," a clear indication of their unsatisfactory nature.

Rumania's refusal to allow Chou to use Bucharest as a plat-

form for an attack on Soviet "revisionism" combined with Chinese intransigence on Vietnam, apparently triggered the dispute. Discord became public when the two leaders arrived over two hours late at a friendship rally which had been billed as the climax of the visit. Disagreement was apparently so sharp that prepared speeches had to be discarded and innocuous extemporaneous remarks substituted.

The Albanian portion of Chou's trip, 24 to 28 June, was more congenial. Although it was uneventful, it shed light on the difficulties in Bucharest. In a speech honoring Chou, Albania's Premier Shehu clearly referred to the Rumanians when he charged that "certain people consider themselves neutral in this life and death struggle.... Neutrality...merely favors modern revisionism."

The key to Sino-Pakistani relations is shared enmity toward India. During Chou's two-day stop in Rawalpindi, en route home, he probably sought assurances that recent Pakistani foreign policy developments do not portend a major shift toward the West. The Chinese are undoubtedly concerned over the recent ouster of pro-Chinese foreign minister Bhutto, and a resumption of large-scale American economic assistance, particularly since the Chinese have begun a sizable military aid program to Pakistan.

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Europe

WARSAW DEMONSTRATIONS HIGHLIGHT CHURCH-STATE STALEMATE

The antiregime, prochurch demonstrations in Warsaw last weekend have sharpened the dilemma both sides face--how to maintain their basic positions without generating a full confrontation on the popular level.

The church cannot translate its manifest popular support into political action because the regime would not hesitate to use force to restrain it. The government, however, fears that overly repressive methods would touch off extensive rioting and that direct action against Cardinal Wyszynski would make a martyr of him.

There are indications of rising concern in the Roman Catholic hierarchy and among party and nonparty elements alike that both sides have mishandled the situation and that on occasion they have engaged in unnecessary provocations.

Both sides realize that Polish national interests dictate an eventual settlement, possibly with a new church-state agreement, but the immediate situation may worsen as each side probes the other's determination. The regime may impose additional restrictions on the church millennium celebrations

Such moves would heighten tension and could lead to worse popular outbursts.

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FRENCH NON-COMMUNIST LEFT MOVES TOWARD COOPERATION WITH COMMUNISTS

Francois Mitterrand, lately a candidate for the French presidency, is moving his non-Communist Federation of the Democratic and Socialist Left toward closer cooperation with the French Communist Party (PCF). Mitterrand's immediate goal is to strengthen the federation for the legislative elections which must be held by next March but could take place sooner.

Mitterrand has publicly emphasized that "nothing comes ahead of the union of the left, which evidently includes the Communist Party." His present "shadow cabinet" includes no Communists but he has opened the way for PCF representation in a government of the "left" by saying "we will not contest elections with the support of popular forces in order to form a majority the next day without them." Mitterrand's movement to the left has been endorsed by Guy Mollet and Rene Billeres, the leaders of the Socialist and Radical Socialist parties which make up most of the Mitterrand federation.

The PCF's reaction has been wary, and it is going ahead with plans to run its own candidates in the first round of the elections. The PCF argues that the left must agree on electoral tactics and a program before a true alliance is possible. Nevertheless, the PCF has welcomed the opportunity to cooperate with the federation and has sought to facilitate cooperation by playing down doctrinal differences.

Gaullist attempts to get votes from the left electorate, which will surely be stepped up with De Gaulle's trip to the Soviet Union, have also encouraged the PCF and the federation toward cooperation. Leaders of both groups acknowledge this common threat.

Some elements of Mitterrand's federation--notably Socialist leader Gaston Defferre do not favor his move to the left, and Jean Lecanuet, leader of the non-Gaullist center grouping, has extended the welcome mat to dissatisfied federation leaders. It is doubtful many will accept his offer, however. Even Defferre has endorsed Mitterrand as head of the federation at least through the elections.

The long-term significance of Mitterrand's move is far from clear. He, Mollet, and its other backers undoubtedly see the move as a way of facilitating electoral alliances on the key second round of the assembly elections when most of the seats will be filled. Even a united left is extremely unlikely to win an assembly majority, however, so the federation leadership can afford to be free with its promises of postelection cooperation. Continuing PCF concern that it will be used in the election and then discarded is probably the best evidence that no irrevocable commitment to a "popular front" yet exists.

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NATO DEVELOPMENTS

The formal withdrawal on 30 June of French personnel and military units from NATO assignment has underscored the continuing uncertainty over France's future military cooperation with the Alliance.

At the meeting of the North Atlantic Council (NAC) on 28 June, the French representative said that France was willing to "subordinate" its forces to NATO command in wartime and to arrange a mission and role for these forces. He avoided, however, any specific details on such arrangements and reiterated the French position that these were primarily military matters to be negotiated between SACEUR and the French chief of staff--not in the political forum of the NAC.

The Germans on 30 June offered the French a declaration on a transitional arrangement for stationing French forces in Germany following French withdrawal from the NATO military structure. The text of the declaration was changed after the French indicated they would not accept it as originally worded. It now reads that a German "representative" rather than a German general will be assigned to French headquarters in West Germany to represent the sovereignty of the

Federal Republic. The Germans also toned down their statement on the mission of the French forces.

There is still some doubt, however, how the French will react to the German statement. French officials still maintain that the 1954 London-Paris Agreements provide a legal basis for the stationing of French troops in Germany, and that the German declaration is unnecessary. In objecting to this German approach a French official said that it would not facilitate the ultimate solution of the French troop question.

Meanwhile, the Netherlands Government appears to be moving toward formally accepting the Headquarters, Allied Forces Central Europe (AFCENT), on its territory. The Germans also have indicated a desire to have AFCENT. However, the appointment of German General von Kielmansegg to replace the French general as commander of AFCENT appears to make the Netherlands the more likely host for AFCENT inasmuch as the Dutch have said that they would accept a German general in that command only if it is located outside Germany.

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Middle East - Africa

POLITICAL DEVELOPMENTS IN YEMEN

As Kuwaiti mediation efforts and Egyptian indecision have increasingly paralyzed all government action in Yemen, anti-Egyptian movements now developing among Yemeni republican groups may presage a new reshuffle of the present regime along more liberal lines.

During the last three months a number of republican political movements have sprung up in the usual Yemeni garb of a conference of leaders. All these recent meetings have had certain aims in common: the removal of President Sallal, continuation of the government's "republican" guise, establishment of some kind of broadly based government, and the withdrawal of Egyptian troops.

The republican conferences are largely gatherings of leaders from various tribes. In the most recent meeting an important tribal chief played a leading role. This course of events appears somewhat analogous to the tribal conference at Khamir in the spring of 1965, which led up to a brief period of more liberal rule.

Party lines within the republican ranks are becoming con-

fused. Ardent pro-Egyptian and cautiously anti-Egyptian leaders alike have become almost permanent residents of Cairo, while seeking to gain Nasir's favor.

Cairo in fact seems undecided on policy in Yemen. Although Nasir has publicly promised substantial Egyptian troop reductions, the British decision to evacuate the Aden base by 1968 may be delaying the Egyptian withdrawal from Yemen. The Egyptians presumably hope to be able to bring maximum influence to bear on an independent South Arabia.

The Kuwaiti mediation efforts in Yemen may account for further Egyptian hesitation. So far the mediation has not accomplished more than giving the Egyptians and the Saudi Arabians a channel to use without resuming direct negotiations. Neither Nasir nor Faysal appears to have softened his views substantially in the first round of exchanges. Indeed, the strong Egyptian press criticism of King Faysal's visit to the US will undoubtedly further complicate his relations with Nasir and may spell an end to the entire mediation effort.

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BRAZZAVILLE REGIME AND ARMY ELEMENTS IN SHOWDOWN

A long-developing showdown between the dominant political leadership of the radical Congo (Brazzaville) regime and important elements of the 1,700-man army came to a head this week. It is not yet clear whether army units supporting the mutiny which began on 27 June or the civilian leaders have the upper hand.

Prime Minister Noumazalay's appeal to the army to turn in its weapons and return to camp has not been obeyed, and the loyalty of troops patrolling the streets is uncertain. Government leaders have taken refuge in a Brazzaville stadium, where they are being protected by the approximately 200 Cuban soldiers of the Presidential Guard. Loyal Cuban-encadred militia are also guarding the radio station. Neither of the opposing forces appears willing to test its strength by combat.

The disturbances were sparked by army resentment over punitive action that the government had taken against a popular junior officer. The officer's tribal brothers in the military partially destroyed the headquarters of the government party, the National Revolutionary Movement (MNR). Soldiers led by paratroopers seized Army Chief of Staff Mountsaka, some of his staff officers, and the head of the security police. Prime Minister Noumazalay has replaced the army high command with politically reliable junior

officers, but has not yet been able to assert his authority over one paracommando company, some other elements of the army and gendarmerie, and an undetermined number of civilians--apparently mostly northern fellow tribesmen of the disciplined officer.

Army dissatisfaction with the government has mounted over the past several months. Army officers have been resentful of the MNR's persistent downgrading of army influence and the building up of paramilitary forces which operate under party control. Certain army elements have strongly protested the use of Cuban recruits in the Presidential Guard as well as the arming of the party youth wing and the urban militia. The National Assembly's approval last week of a decree establishing a collective army command and a political department in the army, as called for by the MNR central committee last spring, probably also added to army hostility.

President Massamba-Debat, who has in the past been the target of army criticism, returns this week to the country to face a situation which could snowball into a genuine military coup. Should the MNR hold its own against the generally moderate army, however, the militant extremists in the regime will be strengthened. A purge of the army and a further reduction in army influence would probably follow, causing the regime to rely more than ever on the Cuban- and Chinese Communist-trained paramilitary forces for its protection.

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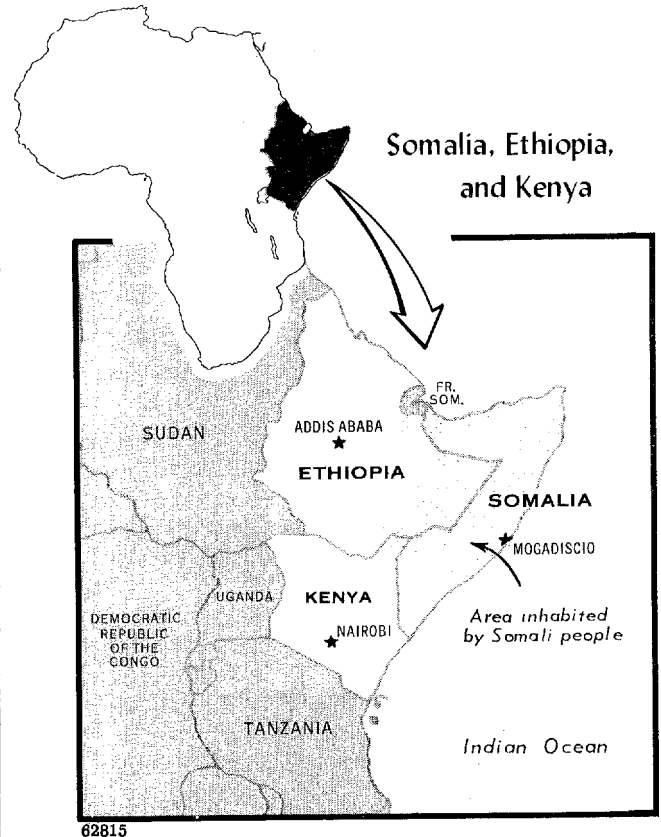
KENYA GETTING TOUGH TOWARD SOMALIA

The government of Kenya is adopting an increasingly belligerent stance toward neighboring Somalia. With recent national assembly by-elections safely out of the way it plans tough measures to stamp out Somali insurgency in northeastern Kenya.

Dissident activity has increased sharply there in the past two months as bands of Kenyan Somalis, trained and equipped by the Somali Army, have re-entered Kenya. Their demolition of bridges and attacks on military outposts have demonstrated an improved capability and greater aggressiveness.

The Kenyatta government has been irritated further by Somali radiobroadcasts supporting former vice president Odinga's opposition party in the by-elections. Last week Nairobi severed commercial relations with Somali and prohibited Somali citizens and airline flights from entering Kenya. Kenyan propaganda broadcasts to the border area have also been stepped up.

Two weeks ago in a skirmish 200 miles inside the border Kenyan tribesmen speared to death some 40 Somali guerrillas armed with guns. Nairobi now is beginning to train loyal tribesmen for maintaining security within Kenya and for possible guerrilla attacks against Somalia.



The greater Somalia issue was one of the factors in a political crisis in the Somali Republic this week. Prime Minister Abdirazak submitted his resignation, but withdrew it under pressure from President Aden,

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Abdirazak probably can win an early vote of confidence but may have to promise an even more militant stand against his neighbors. He had already appeared to be bowing to pressure, some of it from the Soviet-trained and -equipped army, to support Somali minorities more energetically.

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Western Hemisphere

ARGENTINE GENERALS OUST PRESIDENT ILLIA

The Argentine Army, in a carefully planned and well-executed coup, removed President Illia on 27 June, ending three years of constitutional government. The overthrow was swift and bloodless and came after weeks of rumors and speculation that a coup was imminent.

Argentina's new president, Lieutenant General Juan Carlos Onganía, who was inaugurated on 29 June, established his reputation as a capable executive while commander in chief of the army under Illia.

The generals probably decided to move against Illia because they concluded that he would not actually carry out the policy changes he promised in cabinet meetings earlier in June. The generals may also have been concerned that Illia was trying to promote disunity among the top generals through War Secretary Castro Sanchez.

The generals were constitutionalists opposed in principle to military involvement in government. However, they had made it known that

they considered the armed forces the final arbiter in national affairs and that they would not allow the government to lead the country toward anarchy or economic disaster. Although Illia had made progress in solving some of Argentina's pressing economic problems, he was reluctant to take repressive actions against striking workers or proscribe Peronist participation in national elections. The military were concerned at the disruption of public services by strikes and the threat of a Peronist victory in important provincial elections that were scheduled for March 1967.

The coup began late on 27 June after General Pistarini, the army commander in chief, had conferred with his staff and probably with Onganía. Pistarini announced the arrest of General Caro, Illia's only ally among the top generals, and repudiated the authority of Castro Sanchez. This left Illia with no military support. The president's futile effort to dismiss Pistarini was merely a gesture and did not prevent the generals from following their operations order. The coup brought no reaction from either the Peronists or Illia's own Radical Party supporters.

The new government has dismissed the congress and taken over

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the provincial governments. It quickly appointed new judges to the Supreme Court but did not immediately name a new cabinet. No effort to hold elections is likely until the regime can promulgate a new political party statute that will effectively control the threat of Peronism.

Reaction to the coup in Latin America has been varied but relatively mild. Venezuela has condemned the coup and will break relations in accord with its Betancourt Doctrine--refusing to

recognize governments that come to power through a coup.

Several other nations while regretting the coup have indicated that they will await further developments before committing themselves.

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BRITISH HONDURANS PROTEST TERMS OF INDEPENDENCE AGREEMENT

Popular feeling has been aroused in British Honduras (Belize) by opposition leader Philip Goldson's premature disclosure of an agreement the UK is negotiating with Guatemala over independence for the colony--to which Guatemala has long asserted a claim.

Popular demonstrations which began a few weeks ago are becoming more violent. Demonstrators on the evening of 27 June mobbed the Guatemalan Consulate in Belize City and burned a consulate car. Later a group approached Premier George Price's house but was frightened off by police. Other groups caused damage to a

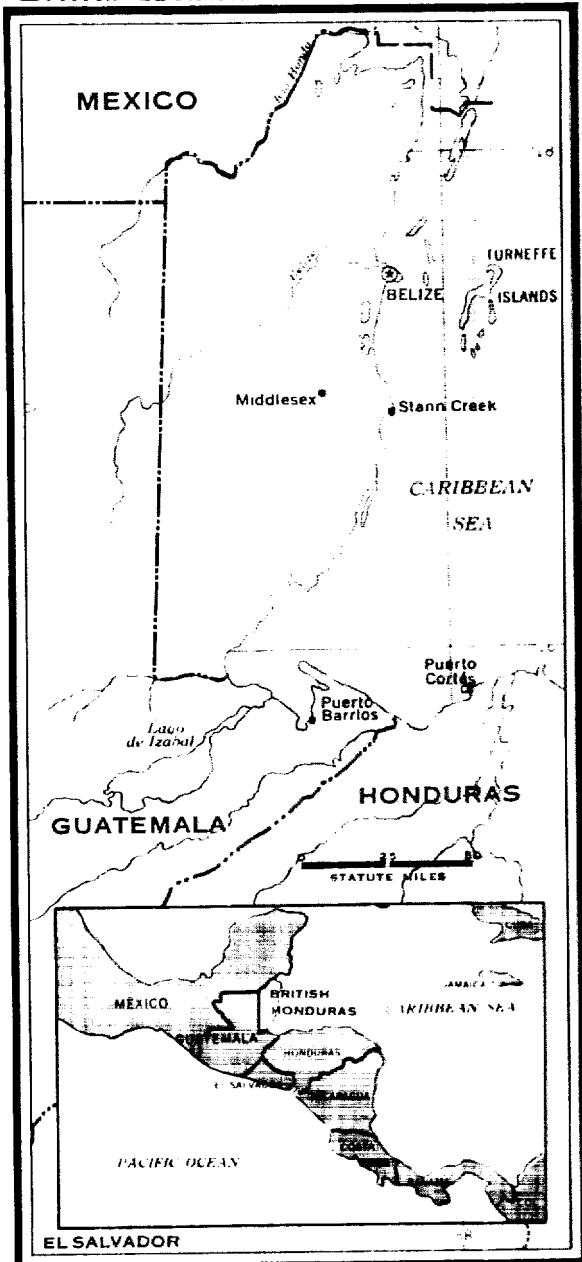
cabinet minister's house and car. Radio Belize--the country's only station--was also attacked, sustaining minor damage. About 300 demonstrators participated in rioting which was finally broken up by police using tear gas.

This is the first such disorder in Belize since 1918. Most of the violence can be attributed to Goldson's scare tactics. During recent rallies he has accused Price of selling Belize out to Guatemala. Goldson has buttressed his argument by pointing to a stipulation in the agreement making Guatemala responsible for Belize's defense after independence. He has also

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disclosed that Guatemalan citizens would have free entry to Belize.

The agreement as it stands is not unfavorable to the Belizians, but Goldson and the opposition appear determined to sabotage it to prevent Price from being credited with achieving the country's independence. Price's reassuring statements do not seem to have allayed the apprehension and confusion caused by Goldson's disclosure, and the premier may even be losing the support of his own party on the issue.

Guatemala has protested the incident of 27 June and has demanded that the United Kingdom provide guarantees for the consulate's safety. In the absence of such guarantees, the Guatemalan Government stated that it might be unable to continue with the mediation and would be forced to take measures for the consulate's protection. Governor Stalard proclaimed a curfew on 28 June in order to try and stem the demonstrations.

Although the agreement will probably be signed eventually, signature may well be delayed by the furor which Goldson has raised.

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GUATEMALA RETURNS TO CONSTITUTIONAL RULE

Guatemala's long struggle to return to constitutional government ends on 1 July with the inauguration of Julio Cesar Mendez Montenegro and Clemente Marroquin Rojas as president and vice president respectively. Mendez' term will be difficult at best. The reforms needed to alleviate the country's serious economic and social problems would alienate the armed forces, which now support him.

The inauguration will itself be an achievement. Terrorism from both ends of the political spectrum has challenged Mendez' assumption of office. Communist-led leftists, at first hoping for a champion in the new president, now believe the Revolutionary Party, which elected him, no longer represents their interests. They have concluded that his regime in effect can be no more than a continuation of the military government. They therefore promise to oppose it until it falls.

Far rightists, on the other hand, fear that Mendez' assumption of power will signal a return to Communism reminiscent of the days before 1954.

The fears of neither extreme appear justified. Mendez is inexperienced in practical politics. His actions since his election suggest, however, that he will be moderate in his policies, and more open to advice than was Colonel Peralta, the retiring chief of government. As a liberal, Mendez is not likely to be quite as rough on the Communists as the military government. He probably hopes to reduce their effectiveness by solving the problems that make Communism attractive. On the other hand, Mendez' cabinet has been chosen for the most part from elements acceptable to the military--the final arbiter in Guatemalan politics.

Among the more pressing problems facing Mendez is the possibility of continued terrorism. Six kidnappings in the past month and a half point up the ability of the FAR--the Communist Party's action arm--to terrorize at will, although it is in no position to overthrow the government.

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DOMINICAN PRESIDENT BALAGUER TO BE INAUGURATED

Joaquin Balaguer will be inaugurated as Dominican president on 1 July in ceremonies to be attended by foreign dignitaries including Vice President Humphrey. Extreme leftists have been discussing the possibility of upsetting the inauguration, but they do not appear to have firm plans for a large-scale, organized protest. Nevertheless, some attempt to interfere with the ceremonies--perhaps by a terrorist act--or to embarrass Vice President Humphrey seems likely in view of charges that Balaguer was fraudulently elected and the intense anti-Americanism of Dominican extremists.

Although the security forces are making preparations to ensure the safety of inaugural participants, they are not fully capable of offering protection against all contingencies.

Balaguer's inaugural speech and his cabinet appointments, to be announced afterward, will offer the first firm indication of the new regime's intentions. Both are well-kept secrets. Balaguer's silence has contributed to the preinaugural calm by preventing his opponents from capitalizing on issues which any

statements of intention might have raised.

In his farewell talks, provisional President Garcia Godoy has been sounding very much like a presidential candidate in the next election.

He has praised his regime for dealing with a situation in which it was "asked to perform almost a miracle" and has expressed satisfaction over the accomplishment of his major task, the holding of peaceful elections and the orderly transfer of power. Garcia Godoy has claimed credit for what he feels to be the "rehabilitation" of the military--although it remains to be seen whether there has been any fundamental change in the attitude of the armed forces toward civilian power.

Garcia Godoy feels his political stock received a further boost with the withdrawal of the first units of the Inter-American Peace Force on 28 June. Under terms of an OAS resolution, the force is to be pulled out over a 90-day period with the exact timing to be determined by Balaguer and the OAS Committee.

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BOLIVIAN ELECTIONS STILL ON

The national elections on 3 July will be held in an uneasy atmosphere. Incidents of violence are probable before and on election day, but only a chaotic situation or the assassination of the assured presidential victor, Rene Barrientos, would be likely to cause cancellation of the voting at this late date. The army is on alert to guard against disorder.

Barrientos' opponents have been unable to stir up demon-

strations large enough to force a cancellation. Some groups now urge abstention and blank voting to reduce Barrientos' margin of victory and undercut his claim to a popular mandate. As many as four of the six contending parties may pull out of the race at the last minute. The traditional manipulation of ballots and voting irregularities, if unusually extensive, would also cloud Barrientos' victory.

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CHILEAN AND COLOMBIAN LEADERS PRESS HEMISPHERE ECONOMIC TIES

Chilean President Eduardo Frei made a strong plea for Latin American economic integration during a speech on 22 June in honor of visiting Colombian President-elect Carlos Lleras Restrepo. Presumably, Frei expects Latin American chiefs of state who attend Lleras' inauguration on 7 August to discuss details of integration in preparation for the meeting of Western Hemisphere chiefs of state that has been proposed for late this year or early 1967.

Frei suggested creation of a high-level study group to propose policies covering regional investment, multinational projects, and other matters of common concern. He proposed that in addition to economic integration, the meeting of hemisphere leaders

should discuss regional arms control and agrarian reform.

Lleras, in his response, agreed on these topics and added that study should be devoted to establishing a complementary economic relationship between the Latin American countries and the United States.

The Colombian president-elect is on a tour of Venezuela, Chile, Peru, Ecuador, and Panama. In Venezuela he stressed Latin American economic integration in remarks closely paralleling those made later by Frei. The statements of the two leaders, as well as Frei's past initiatives, indicate that they intend to press for a unified approach to economic association in Latin America and for greater economic cooperation from the US.

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FIDEL CASTRO RESUMES NORMAL ACTIVITIES

Castro apparently has decided to end his two-month period of withdrawal from the Cuban limelight.

On 27 June, Castro boarded the ship returning Cuban athletes to the island from the Caribbean Games in Puerto Rico, although he did not participate in the formal welcoming ceremonies for the team. The Cuban Communist Party newspaper Granma prominently featured pictures of Castro congratulating the athletes in its 28 June edition; pictures of Castro had been uncharacteristically absent from Cuban papers for about three weeks.

Castro delivered his first speech since 1 May on the eve-

ning of 29 June. He appeared very relaxed and self-assured during the 70-minute speech and the ceremonies preceding it, which were broadcast on island-wide radio and television.

There was no sign of physical illness; mental illness would not necessarily be obvious. Castro's speaking manner, however, and over-all demeanor were characteristic of his public appearances over the past seven years.

Castro concentrated on charging the US with having harassed the Cuban athletes at the Caribbean Games. He did not rebut the rumors circulating about his health and political position.

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